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FM AMEMBASSY SANTIAGO  
TO RUEHC/SECSTATE WASHDC 4636  
INFO RUEHAC/AMEMBASSY ASUNCION 3848  
RUEHBO/AMEMBASSY BOGOTA 2333  
RUEHBU/AMEMBASSY BUENOS AIRES 1352  
RUEHBR/AMEMBASSY BRASILIA 0755  
RUEHCV/AMEMBASSY CARACAS 1986  
RUEHPE/AMEMBASSY LIMA 6047  
RUEHMN/AMEMBASSY MONTEVIDEO 4290  
RUEHQ/AMEMBASSY QUITO 2227  
RUEAIIA/CIA WASHDC  
RHEFDIA/DIA WASHDC  
RHEHNSC/NSC WASHDC  
RUEATRS/DEPT OF TREASURY WASHDC  
RUCPDOC/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000241

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - MARCH 12

#### Leading Stories

[¶1.](#) All dailies reported on UDI Senator Jovino Novoa's election as Senate President. Dailies also report that the government's announcement to hand out 15,000 computers to municipal schools triggered accusation of "electoral intervention" by the opposition alliance.

#### U.S.-Related News

[¶2.](#) A U.S. Federal Reserve System delegation is meeting with officials of local banks with branch offices in the United States. In its meetings, the delegation has inquired about banking regulations, preventive measures to confront the financial crisis, the standing of the local financial system, and measures to detect money laundering. BancoEstado representative Jose Luis Mardones said the delegation had specifically asked about the bank's relationship with the government, which in this case owns the financial institution (La Segunda, conservative, afternoon, circ. 33,000, 3/11).

[¶3.](#) In a meeting with XII Region officials, Douglas Tompkins offered to donate his estate on Isla Riesco to the GOC. Tompkins' idea is to add this land to the Alacalufe Reserve (La Tercera, conservative, independent, circ. 101,000, 3/12).

[¶4.](#) In an interview, national Customs Director Sergio Mujica, who is running for the office of Deputy General Secretary of the World Customs Organization, was asked about his view on U.S. trade regulations to confront terrorism. Mujica said that security concerns should not become obstacles to international trade flow, adding that regulations should not be implemented if there are no measures applied to facilitate trade. Asked specifically about the 100% scanning law, whereby all containers entering the United States must have been scanned in their country of origin, Mujica said that there is worldwide consensus that "it's not a good idea because it takes us back twenty years" (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 3/12).

[¶5.](#) Wal-Mart will apply an aggressive strategy to its recently-acquired Lider supermarket chain, which will include lowering non-food products by 10%, introducing new clothing brands, and expanding in the area of home improvement (Diario Financiero, business and financial, circ. 30,000, 3/12).

Narcotics

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16. A report issued by the International Narcotics Control Board (INCB), which monitors the implementation of United Nations narcotics programs, states 60% of the cocaine that reaches North America and Europe is smuggled from Peru through Chile (La Segunda, conservative, afternoon, circ. 33,000, 3/11).

17. Three Mexican citizens were arrested after trying to smuggle ephedrine in plastic jugs at the Santiago international airport. This chemical is used to manufacture methamphetamines, which has a high price in the U.S. market. The prosecutor's office is investigating possible ties with the powerful Mexican Sinaloa cartel (All dailies, 3/12).

Terrorism

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18. An explosive device detonated on a railroad used to transport garbage to the city's main fill in Quilicura. This is the second bombing this week in connection to "The Day of the Young Combatant" on March 29, when two young brothers were killed in 1985 in clashes with the police. In addition, the Municipality of Pudahuel received a bomb threat just two hours before a government ceremony was to commemorate Bachelet's third year in office. A second bomb threat occurred in Copiapo in northern Chile, at a location preparing to celebrate the government's anniversary (El Mercurio, 3/12; La Segunda, 3/11).

SIMONS